

CHAPTER 8 – GRANTS FOR ACTIVITIES THAT ASSURE AND ENHANCE THE QUALITY OF TEACHING AND LEARNING IN HIGHER EDUCATION

8.1 INTRODUCTION

8.1 PURPOSE

8.1.1 The purpose of this chapter is to specify programs in accordance with subsection 41-15(1) of the Act for the purpose of assuring and enhancing the quality of Australia's higher education sector in accordance with item 11 of the table in subsection 41-10(1) of the Act, and to specify matters listed in subsection 41-15(2) of the Act.

8.5 DESCRIPTION OF THE PROGRAMS IN THIS CHAPTER

8.5.1 Programs in this chapter aim to assure and enhance the quality of teaching and learning in Australia's higher education sector, in particular to ensure that universities target their efforts to improve outcomes for students.

8.10 PERFORMANCE FUNDING – REWARD FUNDING

8.10 PROGRAM DESCRIPTION AND STRUCTURE

8.10.1 The Reward Funding program provides funding to eligible higher education providers and bodies corporate to improve outcomes for students and achieve national quality, participation and attainment objectives.

8.10.5 The Reward Funding program components:

- (a) Component A – Reward Funding for Table A universities meeting performance targets (see section 8.20)
- (b) Component B – Unallocated Reward Funding from Component A (see section 8.45)
- (c) Component C – Quality Initiatives (see section 8.60)

8.15 TOTAL REWARD FUNDING

8.15.1 The total amount of funding available for allocation under the Reward Funding program for 2012 is \$32,449,462.

Reward Funding amounts will be indexed in accordance with the method set out in Part 5-6, Division 198 of the Act.

8.15.5 The total funding available for components A, B and C for 2012 is outlined below:

2012: Component A: \$27,590,462 (allocated as per section 8.20)
 Component B: Any unallocated funds remaining from Component A
 Component C: \$4,859,000

Reward Funding amounts will be indexed in accordance with the method set out in Part 5-6, Division 198 of the Act.

8.20 COMPONENT A – REWARD FUNDING FOR TABLE A UNIVERSITIES MEETING PERFORMANCE TARGETS

8.20 PURPOSE

8.20.1 Table A universities will be allocated Reward Funding on the basis of meeting university targets set out in the Compacts and eligibility requirements below at Clause 8.25 and set against a framework of performance indicators.

8.20.5 Mission-based Compacts are three-year agreements that show how each university's mission contributes to the Government's goals for higher education, and include details of major higher education and research funding and performance targets.

8.25 ELIGIBILITY REQUIREMENTS

8.25.1 A provider is eligible for Reward Funding if:

- a) the university is a Table A provider; and
- b) the Minister has allocated a number of Commonwealth Supported Places to the provider for that year under section 30-10 of the Act; and
- c) the provider has entered into a funding agreement with the Commonwealth under section 30-25 of the Act in respect of that year (the 2011-2013 Compact period).

8.25.5 For a provider to receive Reward Funding for an indicator in 2012 it must:

- a) agree to the performance targets relating to specific Commonwealth goals contained in clause 4.14 of the university's 2011-2013 Compact; and
- b) supply performance data to the Commonwealth for all indicators as per the requirements set out in the Performance Funding Technical Guidelines; and
- c) perform one of the following:
 - i) in respect of the low SES indicator, achieve the relevant excellence or improvement target for the low SES indicator;
 - ii) in respect of the other underrepresented group indicator, achieve the improvement target for the other underrepresented group indicator.

8.25.10 For a provider to receive Reward Funding for an indicator in 2013 it must:

- a) agree to the performance targets relating to specific Commonwealth goals contained in clause 4.14 of the university's 2011-2013 Compact; and
- b) supply performance data to the Commonwealth for all indicators as per the requirements set out in the Performance Funding Technical Guidelines; and
- c) perform one of the following:
 - i) in respect of the low SES indicator, achieve the relevant excellence or improvement target for the low SES indicator;

- ii) in respect of the other underrepresented group indicator, achieve the improvement target for the other underrepresented group indicator.

8.30 PAYMENT DATES AND REPORTING

8.30.1 Reward Funding payments to a provider will be paid in accordance with clause 4.1 headed Category 1 Participation and Social inclusion as outlined in the Compact.

8.30.5 Universities will report against their performance targets for performance Categories 1, 2 and 3 through the insertion of performance results in section 4.14 of the Compact.

8.35 CALCULATION OF COMPONENT A

8.35.1 Each provider's maximum possible Reward Funding payment for Component A will be calculated based on their proportional share of the Basic Grant Amount distributed in the previous grant year, as at 31 December of that year (section 33-5 of the Act).

8.40 CALCULATIONS BY INDICATOR

8.40.1 Performance Category 1: Participation and Social Inclusion

8.40.5 Performance indicator 1A: Proportion of domestic undergraduates who are from a low SES background (low SES target)

The amount of funding payable to a Table A provider in 2012 and 2013 for achievement of the low SES excellence or improvement target agreed in the university's 2011-2013 Compact will be calculated in accordance with the following formula:

$$funding_{lowSES,i} = wt_{lowSESi} \times E \times \frac{B_i}{\sum_{k=1}^n B_k}$$

$funding_{lowSES,i}$ = potential Reward Funding available to university i in a given year for the low SES target

$wt_{lowSES,i}$ = proportion of overall Reward Funding allocated to the low SES target (as outlined in the Performance Funding Administration Guidelines)

E = The Component A Reward Funding available for achievement of performance targets in a given year

B_i = the Basic Grant Amount the previous grant year for university i

B_k = the Basic Grant Amount the previous grant year for university k (where k is all universities participating in Performance Funding during the 2011-13 Compact period)

$\sum_{k=1}^n B_k$ = the total Basic Grant Amount the previous grant year for all universities participating in Performance Funding during the 2011-13 Compact period

8.40.10 Performance indicator 1B: Proportion of domestic undergraduates who are from another underrepresented group (other underrepresented group target)

The amount of funding payable to a Table A provider in 2012 and 2013 for achievement of the other underrepresented group improvement target agreed in the university's 2011-2013 Compact will be calculated in accordance with the following formula:

$$funding_{OUG,i} = wt_{OUG,i} \times E \times \frac{B_i}{\sum_{k=1}^n B_k}$$

Where:

$funding_{OUG,i}$ = potential Reward Funding available to university i in a given year for the other underrepresented group target

$wt_{OUG,i}$ = proportion of overall Reward Funding allocated to the other underrepresented group target (as outlined in the Performance Funding Administration Guidelines)

E = the Component A Reward Funding available for achievement of performance targets in a given year

B_i = the Basic Grant Amount the previous grant year for university i

B_k = the Basic Grant Amount the previous grant year for university k (where k is all universities participating in Performance Funding during the 2011-13 Compact period)

$\sum_{k=1}^n B_k$ = the total Basic Grant Amount the previous grant year for all universities participating in Performance Funding during the 2011-13 Compact period

8.40.15 There is no Reward Funding for Performance Categories 2 and 3.

8.45 COMPONENT B – UNALLOCATED REWARD FUNDING FROM COMPONENT A

8.45 PURPOSE

8.45.1 This section provides for the dispersal of any Reward Funding not allocated under Component A.

8.50 ORGANISATIONS ELIGIBLE FOR GRANTS

8.50.1 Organisations eligible for grants under Component B include:
 (a) Table A universities; and
 (b) Other organisations as determined by the Minister.

8.55 DISTRIBUTION OF COMPONENT B

8.55.1 The Minister will determine the conditions of grants to eligible organisations by Ministerial determination under paragraph s41-25(b) of the Act.

8.55.5 Grants made under this component may be paid on a one-off basis or paid over a project period.

8.55.10 Eligible organisations will be required to report on performance as specified in the Conditions of Grant.

8.60 COMPONENT C – QUALITY INITIATIVES

8.60 PURPOSE

8.60.1 Reward Funding is available in 2012 and 2013 for quality initiatives to ensure that the growth in university enrolments is underpinned by a focus on quality. The funding is provided to help assure and strengthen the quality of teaching and learning in higher education.

8.65 ORGANISATIONS ELIGIBLE FOR GRANTS

8.65.1 Organisations eligible for grants under Component C include:

- (a) Table A universities
- (b) Graduate Careers Australia
- (c) The Australian Council for Educational Research Limited
- (d) The Council for Aid to Education
- (e) Other organisations as determined by the Minister

8.70 DISTRIBUTION OF COMPONENT C – QUALITY INITIATIVES

8.70.1 The Minister will determine the conditions of grants to eligible organisations by Ministerial determination under s41-25(b) of the Act.

8.70.5 Grants under this component may be paid on a one-off basis or paid over a project period.

8.70.10 Eligible organisations will be required to report on performance as specified in the Conditions of Grant.